

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

\_\_\_\_\_  
IN RE: CH.11  
  
3175-77 Villa Avenue Housing Development Fund Corporation,  
  
Debtor.  
\_\_\_\_\_  
X

Case No.

**DECLARATION PURSUANT TO L.B.R. 1007-2**

I, Albert De La Cruz, on behalf of the Debtor declare as follows under penalty of perjury,  
pursuant to 28 USC 1746:

1. I am a shareholder of 3175-77 Villa Avenue Housing Development Fund Corporation (the "Debtor" and "Debtor-in-Possession"). I am also the secretary of the board of directors of the Debtor. As such I am familiar with the matters set forth herein.
2. The Debtor is a co-operative housing corporation incorporated under the laws of the State of New York. The Debtor owns and operates a residential co-operative building at 3175-77 Villa Ave, Bronx, NY (the "Villa Ave Property"). The Villa Ave Property is the Debtor's primary asset. The Villa Ave Property consists largely of affordable housing units for income qualified individuals.
3. The Debtor has eleven (11) shareholders, each shareholder owns an equal portion of the shares. The Debtor's office is located at the Villa Ave Property.
4. The Debtor has no employees and therefore does not anticipate a weekly payroll.
5. The Debtor contracts for services with third parties and independent contractors.
6. The Villa Ave Property consists of 56 rental units, and 4 commercial units.

7. Several years-ago the health of the then President of the Debtor began to decline. Upon becoming aware of its then President's declining health, several shareholders began looking into the Debtor's finances and learned that a judgment of foreclosure had been entered on default in an *in rem* tax proceeding and was recorded against the Villa Ave Property.
8. In February 2018, the Debtor's shareholders held a special meeting and elected a new board of directors. The new board of directors promptly took measures to rectify the financial problems of the building.
9. The Debtor also promptly arranged for financing to payoff the amounts alleged to be owed to the City. Despite the best efforts of the Debtor, the City has been unwilling to work with the Debtor in Debtor's efforts to repay the taxes, the City claims the Debtor owes.
10. The value of the Villa Ave Property is well above the amount that the City alleges is owed by the Debtor.
11. The Debtor has obtained \$2,500,000 in financing, contingent on clarification and/or resolution with the City of several issues.
12. Debtor does not anticipate making any payments to officers of the Debtor or to business or financial consultants within thirty (30) days after this bankruptcy filing.
13. The Debtor has one secured creditor:

NYC Dept of Finance: Claim Amount \$1,599,366.04 (Judgment)  
Attn: Corporate Counsel/Andrea B. Feller, Esq.  
100 Church Street, Room 3-250  
New York, NY 10007  
(212) 356-2565

14. The Debtor has a handful of unsecured creditors, and it is anticipated that unsecured claims will total no more than \$50,000.

**15. DEBTOR'S ASSETS:**

Residential co-operative building at 3175-77 Villa Ave, Bronx, NY (the "Villa Ave Property")

**DEBTOR'S LIABILITIES:**

Set forth in Paragraphs 13 and 14 above.

16. There are no publicly held securities of the Debtor.

17. No assets of the Debtor are in the possession or custody of any custodian, public officer, pledge, assignee of rents, or secured creditor, or agent for any such entity.

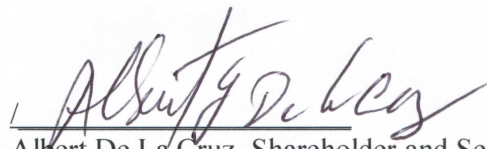
18. At the time of the filing of this Petition, the sole proceeding against the Debtor is:

In Rem Tax Foreclosure Action No. 52  
Borough of Bronx  
Sections 9, 10, 11, 12, 14, 15, and 16  
Tax Classes 1 and 2

Index No. 40000/15

19. The Debtor is confident in its ability to successfully reorganize through the Chapter 11 Bankruptcy process. The Debtor has obtained contingent financing in the amount of \$2,500,000, which is more than enough to satisfy amounts alleged to be owed to the City. Furthermore, the value of the Villa Ave Property is well above the amount the Judgment amount alleged to be owed to the City. The Debtor hopes to be able to negotiate an agreement with the City during this bankruptcy, which will involve the Debtor paying the full amount that the City alleges to be owed.

Dated: July 22, 2019



Albert De La Cruz, Shareholder and Secretary of  
the Board of Directors.